(REVISED) DOCUMENT NO. 5132
ADOPTED 1/26/89

ARBITRATION AGREEMENT

AGREEMENT made this _____th day of January, 1989 by and between the Boston Redevelopment Authority ("BRA"), a public body politic and corporate created pursuant to Chapter 652 of the Acts of 1960, as amended, and Congress 7 Limited Partnership ("Congress 7") a Massachusetts limited partnership.

Factual background to this agreement

Congress 7 has been the tentatively designated redeveloper of that certain disposition parcel within the Government Center Urban Renewal Project in the City of Boston bounded by New Congress Street, New Sudbury Street, Blackstone Street and Hanover Street, known and numbered as Disposition Parcel 7 since 1983. Pursuant to the terms of the designation Congress 7 would purchase Disposition Parcel 7 from the BRA and construct thereon, under the supervision and control of the BRA, a hotel and office building with a below grade parking garage. Congress 7 has proceeded, pursuant to the terms of its tentative designation, to take actions, including the development of architectural plans and environmental studies, necessary for redevelopment of Disposition Parcel 7.

The Commonwealth of Massachusetts, acting by and through its Department of Public Works, has stated that it intends to acquire Disposition Parcel 7 from the BRA either by negotiated purchase or by the exercise of its powers of eminent domain. The Commonwealth intends to devote the parcel to uses ancillary to the proposed reconstruction and depression of the central artery in downtown Boston. The acquisition of Disposition Parcel 7 by the Commonwealth will prevent the acquisition and redevelopment of the parcel by Congress 7. The BRA has determined that it is in the public interest that the Commonwealth acquire Disposition Parcel 7 from the BRA for its central artery project, and is, therefore, upon execution and delivery of this agreement dedesignating Congress 7 as redeveloper of this parcel and designating the Commonwealth as its redeveloper.

Congress 7 assents to its dedesignation as redeveloper of the parcel on the condition that it be reimbursed pursuant to this agreement for expenditures made in its efforts to redevelop the parcel. It has indicated that in its view these expenditures total approximately three million eight hundred thousand ($3,800,000.00) dollars, and that it will seek relief in the courts to retain its designation, or to recover damages unless these expenditures are reimbursed. Under these unique circumstances, in light of the fact that Congress 7 has expended funds pursuant to its tentative designation and that it cannot complete its

development, the BRA has determined that it would be appropriate to reimburse Congress 7 for certain of its expenses actually incurred in attempting to fulfill its obligations as tentative designee as redeveloper for Disposition Parcel 7. The parties, however, are not in agreement on the amounts or categories of expenses and costs to be reimbursed. The BRA and Congress 7 have determined that it is in the public interest that this matter be resolved by aribtration rather than litigation, and the parties also agree that it is in their respective interests.

The parties have therefore entered into this agreement to submit the matter of such reimbursement to binding arbitration pursuant to Chapter 251 of the General Laws.

Undertakings of the Parties

1. Submission to arbitration. The parties hereby agree to submit to the binding arbitration of arbitrators to be selected in accordance with subsequent provisions of this agreement the question of the amount of development costs to be paid to Congress 7 by the BRA upon the sale or other transfer by the BRA of Disposition Parcel 7 to the Commonwealth or any subdivision or agency thereof, or upon any taking of said parcel from the BRA by the Commonwealth or any subdivision or agency thereof.

2. Issue to be arbitrated. The arbitrators shall determine which categories of costs paid or incurred by Congress 7 or its partners, affiliates, agents, attorneys, servants, consultants or employees are includable in those costs typically incurred in the ordinary course of preliminary development of commercial real restate projects in the City of Boston; shall determine the amounts actually paid or incurred by Congress 7 or its partners, affiliates, agents, attorneys, servants, consultants or employees in each such category for said costs; and shall award to Congress 7 an amount of money equal to the total of such amounts in all categories of such includable costs; provided, however, that the parties agree that the following categories of costs are such includable categories, and that the responsibility of the arbitrators is to determine the amounts paid or incurred for actual costs in each such category:

(a) architects' fees and disbursements;
(b) legal and accounting fees and disbursements;
(c) engineering and surveys;
(d) consultant fees and disbursements.

3. Maximum award. The parties agree that in no event shall the arbitrators award to Congress 7 be more than three million eight hundred thousand ($3,800,000.00).

The BRA's obligation to pay any award pursuant to the terms of this agreement shall in no event exceed the amount of proceeds it receives from the sale or other transfer of Development Parcel 7; provided, however, that if such proceeds are less than the full amount awarded by the arbitrators then Congress 7 shall have the right to elect to declare this agreement void and the parties shall be left to their respective rights and obligations existing prior to the making of this agreement as if this agreement had not been made. An election to void this agreement for the reaons set forth in the proceeding sentence shall be made within seven (7) days of written notification by the BRA to Congress 7 that the amount to be paid by the BRA would be less than the arbitrators' award.

4. Selection of arbitrators. There shall be a panel of three arbitrators. One arbitrator shall be selected by each party, and the two arbitrators shall select a third arbitrator. Congress 7 and the BRA shall each submit to the other, within seven (7) days of the execution and delivery of this agreement, their designations of their respective arbitrators. The third arbitrator shall be a certified public accountant affiliated with a major national accounting firm with at least five years experience in performing accounting services for major commercial real estate developments. The third arbitrator shall be selected within thirty (30) days after the designation of the first two arbitrators. If said arbitrators have been unable to agree upon the identity of a third arbitrator within such thirty (30) day period, then either party may apply to the American Arbitration Association for the selection of such third arbitrator.

5. Decision of arbitrators. The arbitrators shall make their award by a majority vote of the three arbitrators.

6. Time for completion of arbitration. The parties agree to use their best efforts to commence and complete the arbitration proceeding in the shortest possible time. In no event shall the award of the arbitrators be rendered later than May 12, 1989. In the event that the arbitrators shall not have rendered their award by May 12, 1989, then this agreement shall be null and void and of no effect and the parties shall be left to their respective rights and obligations existing prior to the making of this agreement as if this agreement had not been made.

7. Costs of arbitration. The parties agree that they shall each bear the fees and charges of their respective arbitrators and of their own attorneys, and that they shall bear all other costs of arbitration equally.

8. Payment of award. The BRA agrees to pay to Congress 7 the full amount of the arbitrators' award within fifteen (15) days after the receipt by the BRA of the proceeds from the sale or other transfer of Disposition Parcel 7 to the Commonwealth or any subdivision or agency thereof or the proceeds of any taking of said parcel from the BRA by the Commonwealth or any subdivision or agency thereof. The BRA shall give Congress 7 written notice care of The Richard H. Rubin Companies, 11120 Rockville Pike, Rockville, Maryland, of the receipt of any such proceeds.

9. Enforceability of award. In the event that the BRA fails to pay the award of the arbitrators in full within the time specified in paragraph 8 above, Congress 7 shall be entitled to apply to the Superior Court Department of the Trial Court of the Commonwealth for enforcement of the arbitrators' award pursuant to Chapter 251 of the General Laws.

10. Release of related claims. In the event that the arbitrators render their award within the time limited in paragraph six (6) above, and that the same is timely paid by the BRA, the parties agree, simultaneously with the payment by the BRA to Congress 7 of such award, to release each other, their affiliates, partners, successors, assigns, servants, attorneys, employees, architects, consultants and all related persons from any and all claims arising out of the actions and doings of the parties or their affiliates, partners, successors, assigns, servants, attorneys, employees, architects, consultants and related persons in connection with Disposition Parcel 7, its acquisition, its redevelopment, the designation of Congress 7, the dedesignation of Congress 7, and any costs incurred or paid by any of them with respect to the same. In the event that the arbitrators do not so render their award, the rights of the parties shall be those set forth in paragraph six (6) above. For so long as this agreement remains in full force and effect, Congress 7 shall not commence any civil action against the BRA with respect to the issues to be arbitrated hereunder or any matter related generally to Disposition Parcel 7.

11. Rules governing arbitration proceedings. The proceedings of the arbitrators shall be conducted according to the rules of the American Arbitration Association except insofar as such rules are expressly or implicitly modified by the provisions of this agreement. In the event of any conflict between the provisions of this agreement and the rules of the American Arbitration Association, the provisions of this agreement shall govern.

12. Governing law. Except insofar as the same may be modified by the express or implicit agreement of the

parties contained herein, this agreement and the arbitration hereunder shall be governed by the laws of the Commonwealth of Massachusetts.

13. Disclaimer. The BRA's and Congress 7's agreement herein that Congress 7 should be reimbursed for certain of its expenses is made solely and exclusively for the purposes of this arbitration agreement and process. In the event this process is unsuccessful and the issues herein become the subject of any litigation (other than an action to enforce the arbitrators' award), the parties agree that nothing in this agreement shall be construed to be an admission of either party to the truth or legal effect of any statement or recitation made herein. Nor shall any party to this agreement, or person having interest in this agreement or interest in Congress 7 introduce this document into evidence in any legal proceedings exclusive of the instant arbitration proceedings or action in court to enforce the arbitrators' decision, as evidence or admission of either party of the truth or legal effect of any statement or recitation made herein.

14. Disclosure of Beneficial Interest. Annexed hereto and incorporated herein by this reference is a 40J Statement signed by Congress 7 complying with the requirements of M.G.L. c.7, §40J concerning all persons who have or will have a direct or indirect beneficial interest in Disposition Parcel 7.

Executed the date first above written.

BOSTON REDEVELOPMENT AUTHORITY

By:_____
Stephen Coyle, Director

CONGRESS 7 LIMITED PARTNERSHIP

_____
Richard H. Rubin,
Managing General Partner
Hereunto Duly Authorized

This agreement is executed in duplicate.

DISCLOSURE STATEMENT CONCERNING BENEFICIAL INTEREST

REQUIRED BY SECTION 40J OF CHAPTER 7 OF THE GENERAL LAWS

(1) Location: Portion of Parcel 7 in Government Center Urban Renewal Area, bounded Congress, New Sudbury, Blackstone and Hanover Streets, Boston

(2) Grantor ~~or Lessor~~: City of Boston / Boston Redevelopment Authority

(3) Grantee ~~or Lessee~~: Congress 7 Limited Partnership

(4) I hereby state, under the penalties of perjury, that the true names and addresses of all persons who have or will have a direct or indirect beneficial interest in the above listed property are listed below in compliance with the provisions of Section 40J of Chapter 7 of the General Laws (see attached Statute).

NAME AND ~~RESIDENCE~~ Address OF ALL PERSONS WITH SAID BENEFICIAL INTEREST:

Richard H. Rubin, 11120 Rockville Pike, Rockville, Maryland, 20852

David E. Nassif, 51 Scotch Pine Road, Wellesley, Massachusetts 02181

See Attachment

(5) The undersigned also acknowledges and states that none of the above listed individuals is an official elected to public office in the Commonwealth of Massachusetts, nor is an employee of the State Department of Capitol Planning and Operations.

SIGNED under the penalties of perjury.

Congress 7 Limited Partnership

Signed: By _____
Richard H. Rubin, Managing General Partner

Date: _____

Attachment to Disclosure Statement
Required by Section 40J of Chapter 7 of the General Laws
made by
Congress 7 Limited Partnership

Pursuant to the Development Agreement dated September 10, 1985 between Richard H. Rubin ("Rubin") and David E. Nassif ("Nassif"), Rubin had the conditional right to acquire from Nassif, at two different times and upon satisfaction of two separate conditions, substantially all of Nassif's interest in Congress 7 Limited Partnership ("Congress 7"). The first such condition was the earlier to occur of (i) issuance by the Inspectional Services Department of the City of Boston of a building permit to Congress 7 authorizing construction on said Parcel 7 of an office and hotel project (the "Project") or of the hotel portion of the Project only, or (ii) the closing of construction mortgage financing for the Project, secured by a mortgage upon said Parcel 7. The second such condition was the passage of six months (or such longer holding period required at the relevant time by the Internal Revenue Code to qualify for long term capital gain treatment) after issuance by said Inspectional Services Department of a certificate of occupancy authorizing the use and occupancy of the hotel portion of the Project. Neither of these conditions can ever be fulfilled, and therefore Rubin cannot acquire any additional interest in Congress 7.

Had Rubin been able to acquire such additional interest, and subject to the restrictions of any applicable land disposition agreement or similar agreement governing redevelopment of said Parcel 7, Rubin intended that upon the acquisition of further beneficial interest in Congress 7 from Nassif in accordance with the Development Agreement, portions of Rubin's beneficial interest in Congress 7 would have been sold or transferred to some or all of the following persons:

Richard H. Rubin
11200 Rockville Pike
Rockville, Maryland

Julia Lee Rubin
9021 Brickyard Road
Rockville, Maryland

Robert K. Rubin
11200 Rockville Pike
Rockville, Maryland

Gary K. Rubin
265 Franklin Street
Boston, Massachusetts

Steven K. Rubin
11200 Rockville Pike
Rockville, Maryland

Irwin Cooperman
11200 Rockville Pike
Rockville, Maryland

Gerard Viverito
11200 Rockville Pike
Rockville, Maryland

Edward J. McCormack, Jr.
265 Franklin Street
Boston, Massachusetts

However, based upon the matters recited in the portion of the Arbitration Agreement to which this Disclosure Statement is attached entitled "Factual Background to this Agreement", it is no longer possible that either of such conditions will ever be satisfied. Therefore, there is not and will not be any acquisition by Rubin of any additional beneficial interest in Congress 7 from Nassif, nor any ownership of a beneficial interest by the above named persons in Congress 7 or said Parcel 7.

7:40J. Disclosure Statements Filed with Deputy Commissioner.

Section 40J. No agreement to rent or to sell real property to or to rent or purchase real property from a public agency, and no renewal or extension of such agreement, shall be valid and no payment shall be made to the lessor or seller of such property unless a statement, signed, under the penalties of perjury, has been filed by the lessor, lessee, seller or purchaser, and in the case of a corporation by a duly authorized officer thereof giving the true names and addresses of all persons who have or will have a direct or indirect beneficial interest in said property with the deputy commissioner of capital planning and operation. The provisions of this section shall not apply to any stockholder of a corporation the stock of which is listed for sale to the general public with the securities and exchange commission, if such stockholder holds less than ten per cent of the outstanding stock entitled to vote at the annual meeting of such corporation.

A disclosure statement shall also be made in writing, under penalty of perjury, during the term of a rental agreement in case of any change of interest in such property, as provided for above, within thirty days of such change.

Any official elected to public office in the commonwealth, or any employee of the division of capital planning and operations disclosing beneficial interest in real property pursuant to this section, shall identify his/her position as part of the disclosure statement. The deputy commissioner shall notify the state ethics commission of such names, and shall make copies of any and all disclosure statements received available to the state ethics commission upon request.

The deputy commissioner shall keep a copy of each disclosure statement received available for public inspection during regular business hours.

MEMORANDUM January 26, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: RICHARD GARVER, ASSISTANT DIRECTOR FOR
SPECIAL PROJECTS
WILLIAM WHITNEY, ASSISTANT DIRECTOR FOR
DESIGN & DEVELOPMENT

SUBJECT: GOVERNMENT CENTER PROJECT, PARCEL 7-1

SUMMARY: THIS MEMORANDUM REQUESTS THE AUTHORITY'S APPROVAL OF A REVISED ARBITRATION AGREEMENT THAT WILL RESOLVE THREATENED LITIGATION BETWEEN CONGRESS 7 LIMITED PARTNERSHIP AND THE AUTHORITY.

On December 22, 1988, the Authority approved the designation of the Commonwealth of Massachusetts as the developer of Parcel 7-1 in the Government Center project for a multi-use public facility related to the Central Artery. However, the designation was conditioned on the execution of an Arbitration Agreement, substantially in the form that was proposed that day.

Since that date, Saul Schapiro, the Authority's designated counsel in the arbitration, and counsel for the developers have agreed on minor modifications to the Agreement. These changes include a disclaimer provision in the event that arbitration fails and a requirement for a 40J public disclosure statement.

It is hereby requested that the Authority authorize the Director to execute said Agreement, substantially in the form attached.

Appropriate votes follow:

VOTED: The Authority hereby approves the attached Arbitration Agreement and authorizes the Director to execute said Agreement on behalf of the Authority.

VOTED: That the Authority hereby designates Wayne A. Budd, Esquire, 75 Arlington Street, Boston, as its arbitrator in accordance with the provisions of paragraph 4 of the Arbitration Agreement between Congress 7 Limited Partnership and the Authority.

BIOGRAPHICAL PROFILE

WAYNE A. BUDD

Date of Birth: November 18, 1941

Birthplace: Springfield, Massachusetts

Residence: 104 Lewis O. Gray Drive
Saugus, Massachusetts 01906

Telephone: (617) 231-1110 (home)
(617) 482-3300 (office)

EDUCATION

A. Cathedral High School, Springfield, Massachusetts
College Preparatory Course - High Honors - 1959

B. Boston College, Chestnut Hill, Massachusetts
A.B., Economics - Cum Laude - 1963

C. Wayne State University School of Law, Detroit, Michigan
(Juris Doctor - 1967)

PROFESSIONAL EMPLOYMENT

A. Engaged in the private practice of law since 1969 and presently employed in a professional corporation for the practice of law as follows:

President
Budd, Wiley & Richlin, P.C.
Counsellors at Law
75 Arlington Street
Suite 1010
Boston, MA 02116

B. Civil Service Commission, Commonwealth of Massachusetts
Commissioner (January, 1972 to present)
Chairman (June, 1983 to June, 1987)

C. Office of the Attorney General, Commonwealth of Massachusetts - Assistant Attorney General and Chief of the Civil Rights and Liberties Division
(1969 to 1971)

D. Appointed on numerous occasions as a Master by the Federal District Court as well as the Superior Courts and Probate Courts of the Commonwealth. Served as an Arbitrator with the American Arbitration Association.
(1970-Present)

ACADEMIC
EMPLOYMENT

A. Boston College Law School, Newton, Massachusetts
Lecturer in Law
(1973 to 1988)

B. Council on Legal Educational Opportunity, Boston, MA
Lecturer in Law (Summers of 1975, 1978, 1980, 1981, 1982 and 1988)

C. Boston University - School of Communication
Boston, Massachusetts
Lecturer in Law of Communications and Law of Civil Rights
(1972 to 1973)

HONORS

A. Honorary Doctor of Laws and Letters
(awarded by New England School of Law, June 1981)

B. Boston College Alumni Centennial Award

C. Alumnus of the Year, Wayne State University School of Law, 1980

D. Distinguished Service Award, Boston NAACP, 1980

E. Commencement Speaker, Wayne State University School of Law Commencement, 1980

F. Martin Luther King Memorial Award, 1982

G. University of Lowell, Reverend Martin Luther King Annual Award, 1985

H. President's Award, Massachusetts Black Lawyers Association

I. Paul Robeson Award, Boston College Law School Black Alumni Association

PROFESSIONAL
MEMBERSHIPS

A. Admitted to the practice of law:
Supreme Judicial Court of Massachusetts, 1968
Federal District Court of Massachusetts, 1970
United States Supreme Court, 1980
United States Court of Appeals (1st Circuit), 1988

B. Massachusetts Bar Association; President: 1979 to 1980 (previously served as President-Elect, Vice President and as a Member of the Board of Delegates)

C. Massachusetts Black Lawyers Association; President: 1974-1976

DIRECTORSHIPS

A. Member, Board of Directors, and Chairman of Audit Committee, Boston Five Cents Savings Bank, Boston, Massachusetts

B. Member, Board of Directors (and Member of Executive Committee) Arbella Mutual Insurance Company, Boston, Massachusetts

C. Vice Chairman, Advisory Board, American Automobile Association (AAA) of Massachusetts

D. Member of the Corporation, Northeastern University, Boston, Massachusetts

E. Member, Commission on Judicial Conduct

C. Trustee, Boston College
Chestnut Hill, Massachusetts (1980 - 1988)